

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2018-320-E**

In the Matter of:)	
)	
Joint Application of Duke Energy)	COMMENTS OF DUKE
Carolinas, LLC and Duke Energy)	ENERGY CAROLINAS, LLC
Progress, LLC to Establish Green Source)	AND DUKE ENERGY
Advantage Programs and Riders GSA)	PROGRESS, LLC IN RESPONSE
)	TO COMMISSION DIRECTIVE
)	ORDER NO. 2019-397

Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP” and, together with DEC, the “Companies” or “Duke”), by and through counsel, respectfully submit these Comments to the Public Service Commission of South Carolina (“the “Commission”) in support of the Companies’ Green Source Advantage (“GSA”) Programs (“GSA Programs” or the “Programs”) and in response to Commission Directive Order No. 2019-397 (the “Order”) issued May 29, 2019, in the above-captioned Docket. The Companies’ Comments respond to the Order’s directive that the Companies “be allowed additional time to review and adjust, if necessary, aspects of the GSA Programs to conform to the provisions” of the South Carolina Energy Freedom Act (“Act 62” or the “Act”) as well as to the Comments filed by the South Carolina Solar Business Alliance (“SCSBA”) and Supplemental Comments filed jointly by the South Carolina Coastal Conservation League (“CCL”) and Southern Alliance for Clean Energy (“SACE”) on May 17, 2019.¹

¹ On August 2, 2019, DEC and DEP jointly filed a letter with the Commission explaining that Companies believe the GSA Program filed in this docket on October 10, 2018, as amended, conforms with the requirements of S.C. Code Ann. Section 58-41-30 and that the Companies will file any amendments to the proposed GSA Program by August 30, 2019.

COMMENTS IN RESPONSE TO ORDER

A. Amendments to the GSA Programs

In response to Comments submitted by SCSBA and SACE/CCL in this proceeding and in response to the enactment of Act 62, the Companies propose herein minor amendments to the GSA Programs. GSA Programs, as described herein, comply with Act 62 and the Companies urge the Commission's prompt consideration of the GSA Programs, in order to allow customers to begin participating in the Programs.

1. Utility Ownership Option

In their respective May 17, 2019 Comments, SCSBA and SACE/CCL objected to the Companies' clarification to the proposed GSA Program design, as presented in their March 28, 2019 Supplemental Reply Comments and corresponding exhibits, that a participating GSA customer may select a renewable energy facility (to serve as the GSA Facility) that is owned by the Companies in addition to a Facility developed by a third party under the Program. While the Companies disagree with the arguments of SCSBA and SACE/CCL, in the interest of reducing the number of issues in contention and to facilitate the Commission's expeditious review and approval the proposed Program, the Companies are withdrawing this element of the GSA Programs.

2. Other Amendments Consistent with Act 62

S.C. Code Ann. § 58-41-30 sets forth the requirements of electrical utilities' voluntary renewable energy programs. In order to align the GSA Programs with the requirements of Act 62, the Companies have amended the eligibility of the GSA Programs to customers with a minimum annual peak demand of 1,000 kW consistent with the definition of "Eligible Customer" in S.C. Code Ann. § 58-41-10(5). Additionally, consistent with the definition of "Renewable Energy Supplier" in S.C. Code Ann. § 58-41-10(13), the Companies have amended the GSA Tariffs to state that a Renewable Supplier may be an affiliate of the Companies.

The Companies have attached to these Comments the following exhibits which illustrate these amendments:

- **Exhibit A:** DEC Rider GSA (clean);
- **Exhibit B:** DEC Rider GSA (redlined to DEC Rider GSA filed on March 28, 2019 as Exhibit A to the Companies' Reply Comments);
- **Exhibit C:** DEP Rider GSA-2 (clean); and
- **Exhibit D:** DEP Rider GSA-2 (redlined to DEP Rider GSA-2 filed on March 28, 2019 as Exhibit C to the Companies' Reply Comments).

B. The Companies' GSA Programs and GSA Program Tariffs Comply With the Requirements of Act 62

The GSA Programs, as described herein, conform to the requirements of S.C. Code Ann. § 58-41-30, including the requirements that (1) the customer must have the right to select the renewable energy facility and negotiate with the supplier on the price to be paid for the energy, capacity, and environmental attributes of the facility along with the term of the agreement; (2) the renewable energy contract and participating customer agreement must be of equal duration; (3) in addition to paying a retail bill calculated pursuant to existing applicable rates and tariffs less the generation credit, the customer must reimburse the utility on a monthly basis for the amount paid by the utility to the renewable energy supplier plus an administrative fee approved by the Commission; and (4) customers must be allowed to bundle their demand under a single participating customer agreement and renewable energy contract and must be eligible annually to procure an amount of capacity as provided by the Commission.²

Specifically, the Companies' proposed Program Tariffs expressly provide that "[c]ustomers seeking to participate in the Program shall identify and propose to the Company a

² S.C. Code Ann. § 58-41-30(A)(1)-(4).

GSA Facility developed by the GSA Facility's owner[,]"³ thus satisfying the customer selection requirement set forth in S.C. Code Ann. § 58-41-30(A)(1). The Program Tariffs likewise contemplate terms of equal duration to be included in both the participating customer agreement and renewable energy contract by providing that the customer and selected renewable energy supplier must execute a GSA Service Agreement that includes the general terms and conditions set forth in the Program in addition to specifying "the rates and charges applicable under the GSA Program[s] for the contract term."⁴ With respect to bill calculation, the Program Tariffs provide that a GSA customer's monthly rate will be determined using otherwise applicable rates less the GSA Bill Credit (which is calculated by multiplying the energy produced by the GSA Facility in each hour of the prior billing month by either the avoided cost bill credit or the hourly rate bill credit) plus a monthly administrative charge of \$375 per customer account with an additional \$50 charge per additional account billed.⁵ This is consistent with the methodology guidelines specified in S.C. Code Ann. § 58-41-30(A)(3). Finally, the Program Tariffs provide for allocating capacity and rates for customers with multiple participating accounts under a single application, thus satisfying the bundling requirement of S.C. Code Ann. § 58-41-30(A)(4).⁶

The Companies' GSA Programs likewise comply with the permissive requirements of Act 62 set forth in S.C. Code Ann. § 58-41-30(B)-(E). For example:

- The Program Tariffs provide that bill credit may be assessed through either a fixed (through the Administratively Established Avoided Cost Bill Credit methodology) or variable (through the Hourly Marginal Avoided Cost Bill Credit methodology) methodology, which is permitted by Section 58-41-30(B); and
- Under the Program Tariffs, customers may select any GSA Facility located in the same service territory, regardless of whether such facility is physically located in North

³ Ex. A at 1; Ex. B at 1.

⁴ Ex. A at 2; Ex. B at 2.

⁵ *Id.* The Companies note that in the March 28, 2019, version of the GSA Tariffs that were filed with the Commission, the Companies inadvertently struck the provisions enumerating the GSA Administration Fee. In the GSA Tariffs filed in the instant filing, the Companies have reinserted that provision.

⁶ Ex. A at 1-2; Ex. B at 1-2.

Carolina or South Carolina, which is consistent with Section 58-41-30(D), allowing that a renewable energy facility “maybe be located anywhere in the electrical utility’s service territory within the utility’s balancing authority.”

Accordingly, the Companies’ proposed GSA Program is compliant with each of the applicable provisions of Act 62 and should be approved by the Commission.

C. The Companies’ GSA Programs and GSA Program Tariffs are Ripe for the Commission’s Approval

In light of the amendments set forth herein, the Companies submit that the GSA programs are ripe for the Commission’s review. The GSA Programs have undergone extensive review and comments by the parties in this proceeding since the Companies filed their Application on October 10, 2018. First and importantly, the Commission has received comments from a number of prospective GSA customers expressing interest in participating in the proposed GSA Program. Intervenor Walmart, Inc. filed comments expressing its interest in participating in the program, while Clemson University, Furman University and First Quality Tissue each filed “Letters of Support,” signaling interest in participating in the GSA Program.⁷ Additionally, the South Carolina Office of Regulatory Staff, Walmart, Inc., SCSBA, and SACE/CCL each submitted initial comments to the Companies’ original application for approval of their GSA Programs and Program Tariffs on January 7, 2019. In response, the Companies filed reply comments along with revised GSA Tariffs on January 28, 2019, addressing a number of intervenor recommendations regarding the Programs. Both SCSBA and SACE/CCL also filed Final Comments on the Companies’ proposed revisions on March 7, 2019, and the Companies filed Supplemental Reply Comments along with further revised GSA Tariffs on March 28, 2019. On March 28, 2019, Duke filed

⁷ See Letter of Support on behalf of *Executive Vice President for Academic Affairs and Provost and co-Chairs of the Clemson University Sustainability Commission*, Docket No. 2018-320-E (filed Nov. 26, 2018); Letter of Support on behalf of First Quality Tissue SE, Docket No. 2018-320-E (filed Nov. 19, 2018); Letter of Support on behalf of Furman University, Docket No. 201-320- E (Oct. 29, 2018).

Supplemental Reply Comments, and on May 17, 2019, both SCSBA and SACE/CCL filed Supplemental Comments addressing the Companies' latest proposed GSA Tariffs, specifically opposing Duke's clarifying Program and tariff amendments to enable utility ownership of GSA Facilities.

Throughout this proceeding, the Companies have made several amendments to the Programs in response to comments from SACE/CCL and SCSBA in an effort to reach consensus on as many issues as possible. With the withdrawal of the option to allow the Companies to own the GSA Facility, the singular remaining issue in contention is the calculation of an alternative bill credit to be paid to participating GSA customers – an issue which has been significantly addressed through comments by the parties. Accordingly, the Companies believe that there is no further need for comment and the Companies' proposed GSA Programs and GSA Program Tariffs are ripe for the Commission's consideration.

CONCLUSION

WHEREFORE, based on the foregoing and the information presented in the Application and previous Comments, Duke Energy Carolinas, LLC and Duke Energy Progress, LLC respectfully request that the Commission accept the Companies' GSA Programs as meeting the requirements of S.C. Code Ann. § 58-41-30 and approve the GSA Programs and GSA Program Tariffs as modified and presented through these Comments by September 30, 2019.

[Signature on Following Page]

Respectfully submitted, this the 30th day of August, 2019.



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Duke Energy Carolinas, LLC

Electricity No. 4
South Carolina (Proposed) Original Leaf 145RIDER GSA
GREEN SOURCE ADVANTAGE (SC)AVAILABILITY

This Green Source Advantage Program (“GSA Program” or “Program”) is available, at the Company’s option, to nonresidential customers meeting the eligibility criteria specified herein and receiving concurrent service on another rate schedule, excluding service under outdoor lighting schedules, pursuant to the terms of the GSA Program, as approved by the Commission. Eligibility for the Program is limited to nonresidential customers with a minimum Annual Peak Demand of 1,000 kW or an aggregated minimum Annual Peak Demand at multiple South Carolina service locations of 1,000 kW (collectively, “Eligible GSA Customers” or “Customer”). The Program is also limited to a total of 113 MW of renewable energy facilities in the Duke Energy Carolinas service territory (“Maximum GSA Program Capacity”). This Rider and the Program shall remain open to Eligible GSA Customers pursuant to the Program’s terms and conditions, as approved by the Commission, for a period of eighteen months following initial Program approval of [Date].

PROCUREMENT OF GSA FACILITIES

The Program allows Eligible GSA Customers to request renewable energy and allows the Customer to obtain the renewable energy certificates (“RECs”) generated by a GSA Facility or portfolio of GSA Facilities (“GSA Facility(ies)”). A GSA Facility must be a new renewable energy facility located in the GSA customer’s Duke Energy Carolinas service territory in either North Carolina or South Carolina with supply that will be dedicated to the Program by the facility owner (“Renewable Supplier”) and used to serve all customers.

Customers seeking to participate in the Program shall identify and propose to the Company a GSA Facility developed by the GSA Facility’s owner (“Renewable Supplier”). The Renewable Supplier, which may include an affiliate of the Company, will enter into a power purchase agreement (“GSA PPA”) with the Company to supply all of the energy from the GSA Facility(ies). The Customer will negotiate price terms directly with a Renewable Supplier. As described below, the Renewable Supplier shall transfer RECs directly to the Customer through a separate contractual arrangement.

APPLICATION PROCESS AND GSA SERVICE AGREEMENT

To participate in the GSA Program, a Customer must submit an application to the Company during a GSA Program enrollment window, as described on the Company’s Program website, identifying an annual amount of renewable capacity to be procured on behalf of the Customer. The Customer may apply for renewable generation capacity up to 125% of the Customer’s aggregate Maximum Annual Peak Demand at eligible Customer service location(s) within the Company’s South Carolina service territory.

The Customer’s application will designate the Renewable Supplier selected by the Customer. The application shall also identify (1) the requested contract term for the Customer’s enrollment in the Program which may be up to twenty (20) years and (2) the Bill Credit option the Customer is choosing. All Customer applications shall be accompanied by the payment of a \$2,000 nonrefundable application fee. Program reservations will be accepted on a “first-come-first-served” basis based upon the date and time of receipt of the Customer’s completed application. Subsequent applications will be held until earlier applications are resolved and will not be rejected until the Company’s Maximum GSA Program Capacity is satisfied. The \$2,000 application fee will be refunded to the Customer only in the event that the Customer’s application is rejected due to insufficient available GSA Program Capacity.

A Customer submitting an application shall also be required to deliver, at the time of application, a standard-form term sheet executed by the Customer and Renewable Supplier, which shall identify the Renewable Supplier and provide information about the proposed GSA Facility and other information as requested by the Company and identified in the term sheet.

The GSA Service Agreement shall include the general terms and conditions applicable under this Rider and shall specify the rates and charges applicable under the GSA Program for the contract term. The Customer and the Renewable Supplier must execute and return the GSA Service Agreement within 30 days of delivery by the Company

Duke Energy Carolinas, LLC

Electricity No. 4
South Carolina (Proposed) Original Leaf 145RIDER GSA
GREEN SOURCE ADVANTAGE (SC)

and the Renewable Supplier must also execute and return the GSA PPA within 30 days of delivery by the Company. Failure by either the Renewable Supplier or the Customer to timely execute and return the GSA Service Agreement or GSA PPA will result in termination of the Customer's application and GSA capacity reservation, which would then require the Customer to start the Program enrollment process anew in order to participate in the Program.

GSA PPA RATES AND TERMS

The GSA PPA delivered to a Renewable Supplier selected to provide a GSA Facility shall include delivery of energy and capacity. The GSA PPA contract price shall be equal to the applicable Bill Credit selected by the Customer.

RENEWABLE ENERGY CREDITS

The Renewable Supplier is required to register the Renewable Facility with a REC tracking system to facilitate the issuance of RECs. The Renewable Supplier shall transfer all RECs to the Customer pursuant to the GSA Service Agreement, and the GSA Service Agreement shall include an attestation by the Customer that the RECs generated by the designated GSA Facility will be transferred by the Renewable Supplier to the applicable tracking account identified by the GSA Customer. The Renewable Supplier shall be solely responsible for procuring, delivering, and transferring RECs to the Customer.

MONTHLY RATE

An amount computed under the GSA Customer's primary rate schedule and any other applicable riders plus the sum of the (1) the GSA Product Charge, (2) the GSA Bill Credit, and (3) the GSA Administrative Charge

GSA Product Charge – The GSA Product Charge shall be equal to the Negotiated Price. The monthly GSA Product Charge shall be determined by multiplying the Negotiated Price times the energy produced by the GSA Facility in the prior billing month.

GSA Bill Credit – The GSA Bill Credit shall, as elected by the Customer and designated in the GSA Service Agreement, be either (1) the avoided cost bill credit ("Administratively Established Avoided Cost Bill Credit") or (2) the hourly rate bill credit ("Hourly Marginal Avoided Cost Bill Credit").

(1) Administratively Established Avoided Cost Bill Credit:

The Administratively Established Avoided Cost Bill Credit shall be equal to the fixed levelized avoided energy and capacity rate calculated using the methodology most recently approved by the Commission calculated over a period of 2 years (for contract terms of 2 years) or 5 years (for contract terms of 5, 10, 15, or 20 years). In the case of contract terms longer than 5 years, the Administratively Established Avoided Cost Bill Credit will be recalculated every five (5) years using the then approved methodology. If the Administratively Established Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly GSA Bill Credit shall be determined by multiplying the applicable Administratively Established Avoided Cost Bill Credit times the energy produced in the applicable hours by the GSA Facility in the prior billing month.

(2) Hourly Marginal Avoided Cost Bill Credit:

The Hourly Marginal Avoided Cost Bill Credit applicable to each hour shall be equal to the following:

Hourly Rate= (Hourly Energy Charges+ Rationing Charges).

- i. Hourly Energy Charge = Expected marginal production cost, and other directly-related costs.

Exhibit A

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GREEN SOURCE ADVANTAGE (SC)**

- ii. Rationing Charge = marginal capacity cost during hours with generation constraint.
- iii. The Hourly Rate will not, under any circumstance, be lower than zero.

If the Hourly Marginal Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly Bill Credit shall be determined by multiplying the applicable Hourly Marginal Avoided Cost Bill Credit times the energy produced by the GSA Facility in the applicable hours in the prior billing month. The contract term for the bill credit option can be up to twenty years.

GSA Monthly Administrative Charge – will be \$375 per month for each Eligible GSA Customer taking service hereunder plus an additional \$50 charge per account billed.

The GSA Administrative Charge for all applicable accounts shall be billed separately to each account at the same allocated proportions as used to allocate the capacity, GSA Product Charge, and Bill Credit.

GENERAL PROVISIONS

For the avoidance of doubt, the Company (1) shall not be liable to the Customer in the event that a GSA Facility fails to produce energy as required under a GSA PPA or as otherwise consistent with the Customer's expectations and (2) shall have no obligation under any circumstance to supply RECs to the Customer. The GSA Facility shall be a system resource and energy produced and delivered under the GSA PPA shall not be directly delivered to the GSA Customer.

RIDER GSA
GREEN SOURCE ADVANTAGE (SC)AVAILABILITY

This Green Source Advantage Program ("GSA Program" or "Program") is available, at the Company's option, to nonresidential customers meeting the eligibility criteria specified herein and receiving concurrent service on another rate schedule, excluding service under outdoor lighting schedules, ~~who elect to direct the Company to procure renewable energy on the Customer's behalf~~ pursuant to the terms of the GSA Program, as approved by the Commission. Eligibility for the Program is limited to nonresidential customers with a minimum ~~Maximum~~ Annual Peak Demand of 1,000 kW or an aggregated ~~Maximum~~ minimum Annual Peak Demand at multiple South Carolina service locations of ~~5,000~~ 1,000 kW (collectively, "Eligible GSA Customers" or "Customer"). The Program is also limited to a total of 113 MW of renewable energy facilities in the Duke Energy Carolinas service territory ("Maximum GSA Program Capacity"). This Rider and the Program shall remain open to Eligible GSA Customers pursuant to the Program's terms and conditions, as approved by the Commission, for a period of eighteen months following initial Program approval of [Date].

PROCUREMENT OF GSA FACILITIES

The Program allows Eligible GSA Customers to request renewable energy and allows the Customer to obtain the renewable energy certificates ("RECs") generated by a GSA Facility or portfolio of GSA Facilities ("GSA Facility(ies)"). A GSA Facility must be a new renewable energy facility located in the GSA customer's Duke Energy Carolinas service territory in either North Carolina or South Carolina with supply that will be dedicated to the Program by the facility owner ("Renewable Supplier") and used to serve all customers.

Customers seeking to participate in the Program ~~shall have the option to either (1) request Duke Energy Carolinas to develop a facility or (2) shall~~ identify and propose to the Company a GSA Facility developed by the GSA Facility's owner ("Renewable Supplier"). ~~For renewable facilities not owned by the Company, the Renewable Supplier, which may include an affiliate of the Company,~~ will enter into a power purchase agreement ("GSA PPA") with the Company to supply all of the energy from the GSA Facility(ies). The Customer will negotiate price terms directly with a Renewable Supplier. As described below, the Renewable Supplier shall transfer RECs directly to the Customer through a separate contractual arrangement.

APPLICATION PROCESS AND GSA SERVICE AGREEMENT

To participate in the GSA Program, a Customer must submit an application to the Company during a GSA Program enrollment window, as described on the Company's Program website, identifying an annual amount of renewable capacity to be ~~developed or~~ procured on behalf of the Customer. The Customer may apply for renewable generation capacity up to 125% of the Customer's aggregate Maximum Annual Peak Demand at eligible Customer service location(s) within the Company's South Carolina service territory.

The Customer's application will designate the Renewable Supplier selected by the Customer. The application shall also identify (1) the requested contract term for the Customer's enrollment in the Program which may be up to twenty (20) years and (2) the Bill Credit option the Customer is choosing. All Customer applications shall be accompanied by the payment of a \$2,000 nonrefundable application fee. Program reservations will be accepted on a "first-come-first-served" basis based upon the date and time of receipt of the Customer's completed- application. Subsequent applications will be held until earlier applications are resolved and will not be rejected until the Company's Maximum GSA Program Capacity is satisfied. The \$2,000 application fee will be refunded to the Customer only in the event that the Customer's application is rejected due to insufficient available GSA Program Capacity.

A Customer submitting an application shall also be required to deliver, at the time of application, a standard-form term sheet executed by the Customer and Renewable Supplier, which shall identify the Renewable Supplier and provide information about the proposed GSA Facility and other information as requested by the Company and identified in the term sheet.

RIDER GSA
GREEN SOURCE ADVANTAGE (SC)

The GSA Service Agreement shall include the general terms and conditions applicable under this Rider and shall specify the rates and charges applicable under the GSA Program for the contract term. The Customer and the Renewable Supplier must execute and return the GSA Service Agreement within 30 days of delivery by the Company and ~~in the case of a GSA Facility not owned by the Company,~~ the Renewable Supplier must also execute and return the GSA PPA within 30 days of delivery by the Company. Failure by either the Renewable Supplier or the Customer to timely execute and return the GSA Service Agreement or GSA PPA ~~(where applicable)~~ will result in termination of the Customer's application and GSA capacity reservation, which would then require the Customer to start the Program enrollment process anew in order to participate in the Program.

GSA PPA RATES AND TERMS

The GSA PPA delivered to a Renewable Supplier selected to provide a GSA Facility shall include delivery of energy and capacity. The GSA PPA contract price shall be equal to the applicable Bill Credit selected by the Customer. ~~No GSA PPA will be required in the case of a GSA Facility that is owned by the Company.~~

RENEWABLE ENERGY CREDITS

The Renewable Supplier is required to register the Renewable Facility with a REC tracking system to facilitate the issuance of RECs. The Renewable Supplier shall transfer all RECs to the Customer pursuant to the GSA Service Agreement, and the GSA Service Agreement shall include an attestation by the Customer that the RECs generated by the designated GSA Facility will be transferred by the Renewable Supplier to the applicable tracking account identified by the GSA Customer. The Renewable Supplier shall be solely responsible for procuring, delivering, and transferring RECs to the Customer.

MONTHLY RATE

An amount computed under the GSA Customer's primary rate schedule and any other applicable riders plus the sum of the (1) the GSA Product Charge, (2) the GSA Bill Credit, and (3) the GSA Administrative Charge

~~+~~ GSA Product Charge – The GSA Product Charge shall be equal to the Negotiated Price. The monthly GSA Product Charge shall be determined by multiplying the Negotiated Price times the energy produced by the GSA Facility in the prior billing month.

GSA Bill Credit – The GSA Bill Credit shall, as elected by the Customer and designated in the GSA Service Agreement, be either (1) the avoided cost bill credit ("Administratively Established Avoided Cost Bill Credit") or (2) the hourly rate bill credit ("Hourly Marginal Avoided Cost Bill Credit").

(1) Administratively Established Avoided Cost Bill Credit:

The Administratively Established Avoided Cost Bill Credit shall be equal to the fixed levelized avoided energy and capacity rate calculated using the methodology most recently approved by the Commission calculated over a period of 2 years (for contract terms of 2 years) or 5 years (for contract terms of 5, 10, 15, or 20 years). In the case of contract terms longer than 5 years, the Administratively Established Avoided Cost Bill Credit will be recalculated every five (5) years using the then approved methodology. If the Administratively Established Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly GSA Bill Credit shall be determined by multiplying the applicable Administratively Established Avoided Cost Bill Credit times the energy produced in the applicable hours by the GSA Facility in the prior billing month.

(2) Hourly Marginal Avoided Cost Bill Credit:

Exhibit B

Duke Energy Carolinas, LLC

Electricity No. 4
South Carolina (Proposed) Original Leaf 145**RIDER GSA
GREEN SOURCE ADVANTAGE (SC)**

The Hourly Marginal Avoided Cost Bill Credit applicable to each hour shall be equal to the following:

Hourly Rate= (Hourly Energy Charges+ Rationing Charges).

- i. Hourly Energy Charge = Expected marginal production cost, and other directly-related costs.
- ii. Rationing Charge = marginal capacity cost during hours with generation constraint.
- iii. The Hourly Rate will not, under any circumstance, be lower than zero.

If the Hourly Marginal Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly Bill Credit shall be determined by multiplying the applicable Hourly Marginal Avoided Cost Bill Credit times the energy produced by the GSA Facility in the applicable hours in the prior billing month. The contract term for the bill credit option can be up to twenty years.

GSA Monthly Administrative Charge – will be \$375 per month for each Eligible GSA Customer taking service hereunder plus an additional \$50 charge per account billed.

- ~~2.~~ The ~~total~~ GSA Administrative Charge for all applicable accounts shall be billed separately to each account at the same allocated proportions as used to allocate the capacity, GSA Product Charge, and Bill Credit.

GENERAL PROVISIONS

For the avoidance of doubt, the Company (1) shall not be liable to the Customer in the event that a GSA Facility fails to produce energy as required under a GSA PPA or as otherwise consistent with the Customer's expectations and (2) shall have no obligation under any circumstance to supply RECs to the Customer. The GSA Facility shall be a system resource and energy produced and delivered under the GSA PPA shall not be directly delivered to the GSA Customer.

Duke Energy Progress, LLC
(South Carolina Only)

SC Rider GSA-2

RIDER GSA-2
GREEN SOURCE ADVANTAGE (SC)

AVAILABILITY

This Green Source Advantage Program (“GSA Program” or “Program”) is available at the Company’s option to nonresidential customers meeting the eligibility criteria specified herein and receiving concurrent service on another rate schedule, excluding service under outdoor lighting schedules, pursuant to the terms of the GSA Program, as approved by the Commission. Eligibility for the Program is limited to nonresidential customers with a minimum Maximum Annual Peak Demand of 1,000 kW or an aggregated minimum Annual Peak Demand at multiple South Carolina service locations of 1,000 kW (collectively, “Eligible GSA Customers” or “Customer”). The Program is also limited to a total of 37 MW of renewable energy facilities in the Duke Energy Progress service territory (“Maximum GSA Program Capacity”). This Rider and the Program shall remain open to Eligible GSA Customers pursuant to the Program’s terms and conditions, as approved by the Commission, for a period of eighteen months following initial Program approval of [Date].

PROCUREMENT OF GSA FACILITIES

The Program allows Eligible GSA Customers to request renewable energy and allows the Customer to obtain the renewable energy certificates (“RECs”) generated by a GSA Facility or portfolio of GSA Facilities (“GSA Facility(ies)”). A GSA Facility must be a new renewable energy facility located in the GSA customer’s Duke Energy Progress service territory in either North Carolina or South Carolina with supply that will be dedicated to the Program by the facility owner (“Renewable Supplier”) and used to serve all customers.

Customers seeking to participate in the Program shall identify and propose to the Company a GSA Facility developed by the GSA Facility’s owner (“Renewable Supplier”). The Renewable Supplier, which may include an affiliate of the Company, will enter into a power purchase agreement (“GSA PPA”) with the Company to supply all of the energy from the GSA Facility(ies). The Customer will negotiate price terms directly with a Renewable Supplier. As described below, the Renewable Supplier shall transfer RECs directly to the Customer through a separate contractual arrangement.

APPLICATION PROCESS AND GSA SERVICE AGREEMENT

To participate in the GSA Program, a Customer must submit an application to the Company during a GSA Program enrollment window, as described on the Company’s Program website, identifying an annual amount of renewable capacity to be procured on behalf of the Customer. The Customer may apply for renewable generation capacity up to 125% of the Customer’s aggregate Maximum Annual Peak Demand at eligible Customer service location(s) within the Company’s South Carolina service territory.

The Customer’s application will designate the Renewable Supplier selected by the Customer. The application shall also identify (1) the requested contract term for the Customer’s enrollment in the Program which may be up to twenty (20) years and (2) the Bill Credit option the Customer is choosing. All Customer applications shall be accompanied by the payment of a \$2,000 nonrefundable application fee. Program reservations will be accepted on a “first-come-first-served” basis based upon the date and time of receipt of the Customer’s completed application. Subsequent applications will be held until earlier applications are resolved and will not be rejected until the Company’s Maximum GSA Program Capacity is satisfied. The \$2,000 application fee will be refunded to the Customer only in the event that the Customer’s application is rejected due to insufficient available GSA Program Capacity.

A Customer submitting an application shall also be required to deliver, at the time of application, a standard-form term sheet executed by the Customer and Renewable Supplier, which shall identify the Renewable Supplier and provide information about the proposed GSA Facility and other information as requested by the Company and identified in the term sheet.

The GSA Service Agreement shall include the general terms and conditions applicable under this Rider and shall specify the rates and charges applicable under the GSA Program for the contract term. The Customer and the Renewable Supplier must execute and return the GSA Service Agreement within 30 days of delivery by the Company and the Renewable Supplier must also execute and return the GSA PPA within 30 days of delivery by the Company.

Exhibit C

Duke Energy Progress, LLC
(South Carolina Only)

SC Rider GSA-2

Failure by either the Renewable Supplier or the Customer to timely execute and return the GSA Service Agreement or GSA PPA will result in termination of the Customer's application and GSA capacity reservation, which would then require the Customer to start the Program enrollment process anew in order to participate in the Program.

GSA PPA RATES AND TERMS

The GSA PPA delivered to a Renewable Supplier selected to provide a GSA Facility shall include delivery of energy and capacity. The GSA PPA contract price shall be equal to the applicable Bill Credit selected by the Customer.

RENEWABLE ENERGY CREDITS

The Renewable Supplier is required to register the Renewable Facility with a REC tracking system to facilitate the issuance of RECs. The Renewable Supplier shall transfer all RECs to the Customer pursuant to the GSA Service Agreement, and the GSA Service Agreement shall include an attestation by the Customer that the RECs generated by the designated GSA Facility will be transferred by the Renewable Supplier to the applicable tracking account identified by the GSA Customer. The Renewable Supplier shall be solely responsible for procuring, delivering, and transferring RECs to the Customer.

MONTHLY RATE

An amount computed under the GSA Customer's primary rate schedule and any other applicable riders plus the sum of the (1) the GSA Product Charge, (2) the GSA Bill Credit, and (3) the GSA Administrative Charge.

GSA Product Charge – The GSA Product Charge shall be equal to the Negotiated Price. The monthly GSA Product Charge shall be determined by multiplying the Negotiated Price times the energy produced by the GSA Facility in the prior billing month.

GSA Bill Credit – The GSA Bill Credit shall, as elected by the Customer and designated in the GSA Service Agreement, be either (1) the avoided cost bill credit ("Administratively Established Avoided Cost Bill Credit") or (2) the hourly rate bill credit ("Hourly Marginal Avoided Cost Bill Credit").

(1) Administratively Established Avoided Cost Bill Credit:

The Administratively Established Avoided Cost Bill Credit shall be equal to the fixed levelized avoided energy and capacity rate calculated using the methodology most recently approved by the Commission calculated over a period of 2 years (for contract terms of 2 years) or 5 years (for contract terms of 5, 10, 15, or 20 years). In the case of contract terms longer than 5 years, the Administratively Established Avoided Cost Bill Credit will be recalculated every five (5) years using the then approved methodology. If the Administratively Established Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly GSA Bill Credit shall be determined by multiplying the applicable Administratively Established Avoided Cost Bill Credit times the energy produced in the applicable hours by the GSA Facility in the prior billing month.

(2) Hourly Marginal Avoided Cost Bill Credit:

The Hourly Marginal Avoided Cost Bill Credit applicable to each hour shall be equal to the following:

Hourly RTP Rate = MENERGY + CAP

where:

MENERGY = Marginal Energy Cost per kilowatt-hour including marginal fuel and variable operating and maintenance expenses

CAP = Tiered Capacity Charge per kilowatt-hour applicable whenever the day-ahead forecast of the ratio of hourly available generation to hourly demand is equal or less than 1.15

Exhibit C

Duke Energy Progress, LLC
(South Carolina Only)

SC Rider GSA-2

The hourly Real Time Price (“RTP”) Rate will not, under any circumstances, be lower than zero. If the Hourly Marginal Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly Bill Credit shall be determined by multiplying the applicable Hourly Marginal Avoided Cost Bill Credit times the energy produced by the GSA Facility in the applicable hours in the prior billing month. The contract term for the bill credit option can be up to twenty years.

GSA Monthly Administrative Charge – will be \$375 per month for each Eligible GSA Customer taking service hereunder plus an additional \$50 charge per account billed.

The GSA Administrative Charge for all applicable accounts shall be billed separately to each account at the same allocated proportions as used to allocate the capacity, GSA Product Charge, and Bill Credit.

GENERAL PROVISIONS

For the avoidance of doubt, the Company (1) shall not be liable to the Customer in the event that a GSA Facility fails to produce energy as required under a GSA PPA or as otherwise consistent with the Customer’s expectations and (2) shall have no obligation under any circumstance to supply RECs to the Customer. The GSA Facility shall be a system resource and energy produced and delivered under the GSA PPA shall not be directly delivered to the GSA Customer.

Exhibit D

Duke Energy Progress, LLC
(South Carolina Only)

SC Rider GSA-2

RIDER GSA-2
GREEN SOURCE ADVANTAGE (SC)

AVAILABILITY

This Green Source Advantage Program ("GSA Program" or "Program") is available at the Company's option to nonresidential customers meeting the eligibility criteria specified herein and receiving concurrent service on another rate schedule, excluding service under outdoor lighting schedules, ~~who elect to direct the Company to procure renewable energy on the Customer's behalf~~ pursuant to the terms of the GSA Program, as approved by the Commission. Eligibility for the Program is limited to nonresidential customers with a minimum Maximum Annual Peak Demand of 1,000 kW or an aggregated ~~Maximum minimum~~ Annual Peak Demand at multiple South Carolina service locations of ~~5,000~~ 1,000 kW (collectively, "Eligible GSA Customers" or "Customer"). The Program is also limited to a total of 37 MW of renewable energy facilities in the Duke Energy Progress service territory ("Maximum GSA Program Capacity"). This Rider and the Program shall remain open to Eligible GSA Customers pursuant to the Program's terms and conditions, as approved by the Commission, for a period of eighteen months following initial Program approval of [Date].

PROCUREMENT OF GSA FACILITIES

The Program allows Eligible GSA Customers to request renewable energy and allows the Customer to obtain the renewable energy certificates ("RECs") generated by a GSA Facility or portfolio of GSA Facilities ("GSA Facility(ies)"). A GSA Facility must be a new renewable energy facility located in the GSA customer's Duke Energy Progress service territory in either North Carolina or South Carolina with supply that will be dedicated to the Program by the facility owner ("Renewable Supplier") and used to serve all customers.

Customers seeking to participate in the Program shall ~~have the option to either (1) request Duke Energy Progress to develop a facility or (2) identify and propose to the Company a GSA Facility developed by the GSA Facility's owner ("Renewable Supplier"). For renewable facilities not owned by the Company, the Renewable Supplier, which may include an affiliate of the Company,~~ will enter into a power purchase agreement ("GSA PPA") with the Company to supply all of the energy from the GSA Facility(ies). The Customer will negotiate price terms directly with a Renewable Supplier. As described below, the Renewable Supplier shall transfer RECs directly to the Customer through a separate contractual arrangement.

APPLICATION PROCESS AND GSA SERVICE AGREEMENT

To participate in the GSA Program, a Customer must submit an application to the Company during a GSA Program enrollment window, as described on the Company's Program website, identifying an annual amount of renewable capacity to be ~~developed or~~ procured on behalf of the Customer. The Customer may apply for renewable generation capacity up to 125% of the Customer's aggregate Maximum Annual Peak Demand at eligible Customer service location(s) within the Company's South Carolina service territory.

The Customer's application will designate the Renewable Supplier selected by the Customer. The application shall also identify (1) the requested contract term for the Customer's enrollment in the Program which may be up to twenty (20) years and (2) the Bill Credit option the Customer is choosing. All Customer applications shall be accompanied by the payment of a \$2,000 nonrefundable application fee. Program reservations will be accepted on a "first-come-first-served" basis based upon the date and time of receipt of the Customer's completed application. Subsequent applications will be held until earlier applications are resolved and will not be rejected until the Company's Maximum GSA Program Capacity is satisfied. The \$2,000 application fee will be refunded to the Customer only in the event that the Customer's application is rejected due to insufficient available GSA Program Capacity.

A Customer submitting an application shall also be required to deliver, at the time of application, a standard-form term sheet executed by the Customer and Renewable Supplier, which shall identify the Renewable Supplier and provide information about the proposed GSA Facility and other information as requested by the Company and identified in the term sheet.

The GSA Service Agreement shall include the general terms and conditions applicable under this Rider and shall specify the rates and charges applicable under the GSA Program for the contract term. The Customer and the

Exhibit D

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Renewable Supplier must execute and return the GSA Service Agreement within 30 days of delivery by the Company and ~~in the case of a GSA Facility not owned by the Company,~~ the Renewable Supplier must also execute and return the GSA PPA within 30 days of delivery by the Company. Failure by either the Renewable Supplier or the Customer to timely execute and return the GSA Service Agreement or GSA PPA ~~(where applicable)~~ will result in termination of the Customer's application and GSA capacity reservation, which would then require the Customer to start the Program enrollment process anew in order to participate in the Program.

GSA PPA RATES AND TERMS

The GSA PPA delivered to a Renewable Supplier selected to provide a GSA Facility shall include delivery of energy and capacity. The GSA PPA contract price shall be equal to the applicable Bill Credit selected by the Customer. ~~No GSA PPA will be required in the case of a GSA Facility that is owned by the Company.~~

RENEWABLE ENERGY CREDITS

The Renewable Supplier is required to register the Renewable Facility with a REC tracking system to facilitate the issuance of RECs. The Renewable Supplier shall transfer all RECs to the Customer pursuant to the GSA Service Agreement, and the GSA Service Agreement shall include an attestation by the Customer that the RECs generated by the designated GSA Facility will be transferred by the Renewable Supplier to the applicable tracking account identified by the GSA Customer. The Renewable Supplier shall be solely responsible for procuring, delivering, and transferring RECs to the Customer.

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where:

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MENERGY = Marginal Energy Cost per kilowatt-hour including marginal fuel and variable operating and maintenance expenses

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The hourly Real Time Price ("RTP") Rate will not, under any circumstances, be lower than zero. If the Hourly Marginal Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly Bill Credit shall be determined by multiplying the applicable Hourly Marginal Avoided Cost Bill Credit times the energy produced by the GSA Facility in the applicable hours in the prior billing month. The contract term for the bill credit option can be up to twenty years.

GSA Monthly Administrative Charge – will be \$375 per month for each Eligible GSA Customer taking service hereunder plus an additional \$50 charge per account billed.

The ~~total~~ GSA Administrative Charge for all applicable accounts shall be billed separately to each account at the same allocated proportions as used to allocate the capacity, GSA Product Charge, and Bill Credit.

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